

The hyper-real urban landscape: Turin in the eyes of foreign investors

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Abstract

The aim of this paper is to investigate on the process of investment by enterprises that decided in past and recent years to “move” to Turin (Italy) and its surroundings, discussing which kind of “reality” has led to such a decision (hyper-reality is the situation where reality representations become “more real than the real”). This investigation is directed not only to detect and classify sensible external economies and location factors of the city, but also to analyze to what degree economic decisions are bound to necessarily simplified, or even stereotyped, mental geographies. The study is realized on the basis of in-deep interviews with managers of transnational enterprises, and it proposes an attempt of reconstruction of their perception of the city, the importance of these perceptions in the decision process, and the links between such images and “hard facts” concerning Turin. The focus of this analytical exercise will be posed on the investment process, taking a closer look on the building up of an investment idea, from its first glimpse to its tangible realization. Finally, some reflections link the issue of urban images to urban strategies, particularly in the field of city marketing and urban branding.

1. Introduction: Foreign investments and the investor gaze

Investments are major engines of urban growth and spatial transformations: much of the literature concerning urban competitiveness stresses the importance of attracting flows, and for many authors urban competitiveness *is*, in a certain way, the capability of attracting money.

The investment phenomenon has been typically studied in an economic perspective. Just to quote some milestone contributions, authors as Hymer (1976), Vernon (1966), Chandler (1962), and Dunning (1993) analysed from different perspectives the international investment dynamics, contributing to form a wide framework of explanations at the basis of the decision to actively internationalize. Summarizing, two major outlines concerning foreign investments are particularly important in the perspective of this work.

First, according to many scholars (as Dunning, 1993; Shatz and Venables, 2000), it is possible to distinguish between two distinct reasons pushing a firm to invest in a different region, both in terms of establishing new industrial activities or participating in existing ones.

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The former reason is to better serve a local market; the firm is thus looking for *horizontal investments*, implying the duplication of production processes. The investment decision is an alternative for exports, with the aim of reducing transport costs and enhancing the firm's competitive position in the market. For these reasons, such investments are usually directed towards the more developed regions, i.e. characterized by a strong inner demand. In contrast, *vertical investments* are directed towards regions offering low-cost inputs, such as low labour costs, primary commodities or intermediate goods. Such a classification is of course schematic. Foreign investments may foster both horizontal and vertical functions. Moreover, these objectives may be pursued through various forms of cross-regional firm networks – and not only through shareholdings.

A different reason why a firm decides to invest abroad focuses on social explanations. As originally stressed by Chandler (1987), the choice of investing, defining a certain strategy (integration or diversification, for example), adopting a specific organizational structure and a development model (internal or external growth, for example) is always rooted in specific social and historic contexts. Every organization is always, to a certain degree, embedded in its social context (Grabher, 1993).

Most of the geographical analysis concerning the field of international investments heavily draws upon those contributions and theoretical perspectives, in order to describe and interpret the networks of horizontal and vertical investments and the logics of expansion of multinational enterprises. To the best of our knowledge, the social and subjective dimensions of investments processes are often underestimated or, alternatively, left on the background. Nevertheless, it is evident how economic rationality never exists, and every practitioner in this field is aware of the fact that fashions, tastes, geographical stereotypes and metageographies take a dramatic role in shaping such phenomena (just to quote some examples of analysis and discourses emphasising such themes, see Shatz and Venables, 2000). The theoretical hypothesis on the basis of this paper is that metageographies, i.e. sets of spatial structures through which individuals tend to order their knowledge of the world (Lewis and Wigen, 1997), are fundamental in shaping a specific “place-myth” geography (Shields, 1991). In other words, geographical functional divisions, as those between “good” and “bad” places where to invest, are spatialised and labelled, much like deviant individuals, in order to play an anticipatory function, i.e. to build up expectations about different and uncertain situations. Such an image-building activity is no-way “scientific”, but historically produced and actively contested or negotiated (for example by means of place marketing policies); using the vocabulary of Lefebvre (1974), this process involves the “space of representation” – the abstract space of “social imaginary”.

The concept of “tourist gaze”, developed by John Urry (1995), probably presents many useful analogies with this discourse. Focusing on tourist flows, the author stresses in fact how tourist practices usually imply an “ideological framing”: places are chosen to be gazed upon because there is anticipation (daydreaming and fantasy) constructed through a variety of practices and signs, conveyed for example through films, literature, records. The “tourist gaze” is thus a culturally learned way of looking at a place, shaping what the tourists expect to see when they reach their destination. Far from constructing a distinctive sociology of foreign investments – as Urry does with respect to tourism –, we are interested in getting further into the culture of foreign investments – if any. We will therefore try to classify investors' anticipations (what to find in the new location, effects on the company's image) and perceptions of investment environments emerging from specific *discourses*. In our perspective, these discourses represent systems of concepts describing a sequence of real or unreal events characterising the investment loci, which are shared by groups of investors (the investor gazes) and that can be

detected via indirect ways such as deconstructive analysis of maps and interviews. In particular, this paper will investigate how investment patterns shifted from those characteristic of the Fordist era. More specifically, the aim of this paper is to identify and cast some light on the “investor gaze” characterising economic actors who decided to move and invest in Turin (in Italy). In order to do that, a qualitative analysis based on interviews with managers and other economic actors has been proposed.

Paragraph 2, in particular, describes the methodology adopted in the analysis, while paragraph 3 introduces some elements of the geography, economy and social imaginary surrounding the city of Turin. Paragraph 4 presents the main results of our analysis in order to detect different typologies of investor gazes, while the final part of the paper draws some concluding remarks.

2. Tools and methods

Our analysis is largely based on in-deep interviews with managers of enterprises who have invested in Turin and its area during the last 10 years. A preliminary dataset of enterprises has been gently provided by Itp, a regional organization started in Piedmont in 1997 in order to attract investments in the region¹. The Itp dataset includes both foreign companies having local affiliates in Piedmont in 2003², and a large sample (but not the whole universe) of companies later attracted in the region via the intermediation of Itp itself. As a result, the overall dataset includes 422 companies comprising about 85% of total FDIs in the region from 1998 to 2006.

Starting from such a directory, a sample of 20 enterprises has been chosen. In particular these have been randomly selected among medium- and big-sized regional enterprises owned by international groups. They include a wide range of sectors both from high tech production and research segments (3 companies operating in ICT technologies, 1 in silicon technologies, 1 in nanoscience, 2 in robotics), and low-tech branches (1 in machinery, 2 in vehicles manufacturing, 5 in automotive components, 1 in sand and derivatives, 2 in chemicals, 1 in industrial gas, 1 in food). From the interviews with the managers we collected some of 36 mental maps (directly drawn on stylized blank map; see pictures) and other 12 promotional maps. Mental maps have been analyzed qualitatively (the reference here is the classical work of Lynch, 1960); managers have been asked to draw on maps (just presenting sea borders), choosing one map from a set of three using different geographical scales (Italy, Europe, World) in order to reconstruct the perceived geographical “unconscious” (Jameson, 1995) and scale of the investment *loci*. When maps were not available, these were substituted by descriptive texts about the geography of investments in the eyes of the company.

The interviews have been quite open, in order to “let the managers talk” about the social process and the ideas surrounding the realization of the investments. Some major nodes concerning the dialogue referred to:

- the perceived geographical scale of the locus of investments. In other words, when the managers decided to move to Turin, did they have in mind to invest in the city, in the whole region, in Italy or in a different meta-region (Southern Europe, the Mediterranean area, Europe, etc.)?
- what kind of “rational” analysis was carried on in order to validate the idea of investing in Turin and its surroundings?

¹ www.itp-agency.org

² This directory refers to the outcomes of a research commissioned to *R&P Ricerche e Progetti*.

- how did the process take form? Through which phases? Were local actors involved/contacted?
- which were the main localization factors searched and found in the city? How did the geography of localization factors change after the investment?
- which other cities were considered as alternative places where to invest? And why was Turin chosen?
- how is perceived, in general, the geography of world investments according to the enterprises? A mosaic of countries? Macro-regions?

Then, a deconstructive analysis has been carried on. In some cases, the analysis referred to texts, for example preliminary investment analysis and promotional brochures (see also Vanolo, forthcoming). The aim of this analysis has been to emphasize “hidden” and “marginal” meanings (Barnett, 1999) of the investment process.

In other cases, the deconstruction has been referred to maps and visual materials in general. In particular, in the case of maps, it is evident the vast amount of subjective information carried on in every cartographical representation of the world (Harley, 1992; Pickless, 1992). The attempt here has been to classify those materials, both in the case of maps from web sites and enterprise materials, and in the case of drawings by managers during the interviews. The analysis has been focused on recurrent elements, marginal sketches and other kinds of information, interesting in the eyes of the investigation; a similar analytical attempt has been carried on in the framework of a recent Espon programme³.

3. Turin and its international dimension

Located at the feet of the Alpine arch that constitutes the North-Western border of Italy, Turin is the capital of Piedmont region. Turin is one the largest economic, business and cultural centres in the country as well: the population of the *city* of Turin is 908.600, and its *metropolitan area*, with a population of 2.2 million of inhabitants, is the fourth largest in Italy (the 26th in Europe)⁴. The Gdp pro capita in Turin is 23.900 euro (2003), higher than the national mean (20.153 euro).

From a geographical point of view, the city is situated in a strategic position, as recently confirmed by its involvement in some major infrastructure projects promoted by the European Commission, being at the crossroad of two priority European transport axes: the East-West extension (via a railway high-speed axis) of the pan-European Corridor 5 from Kiev to Lisbon, and the North-South railway axis from Genoa to Rotterdam/Antwerp.

Concerning economic specialisation, there is little doubt Turin is a major manufacturing city, classified by Oecd⁵ as an *old industrial town*. From 1899 Turin hosts in fact the long-run presence of the headquarters of the Fiat automobile manufacturer company that has historically been a major engine of the Italian industrial development. In Europe, equivalent paths have been followed by cities such as St. Etienne in Switzerland or Glasgow in UK.

From the end of the 19th century to almost all the 20th century, Fiat and the Agnelli family (owners of the company) drove the rapid industrialisation of the city. After World War II, in particular, the rapid ascent of Fiat affected the economic, social, cultural, and political development of Turin so deeply that the city started to be nicknamed as the *Italian automobile*

³ Espon 3.4.1, *Europe in the World*. We would like to thank the whole group; particularly, the text quoted here is mainly based on the work of Clarisse Didelon.

⁴ Data from Italian Census 2004 and Oecd (2006): <http://213.253.134.43/oecd/pdfs/browseit/0406041E.PDF>; further data concerning economic dynamics refers to Unioncamere Piemonte, <http://www.uic.it>

⁵ www.urbanact.org

capital, compared by many authors to Detroit (Amari, 1980). In the 1960s, in the midst of the Italian economic boom, Turin attracted waves of immigration, largely from the southern and eastern regions of Italy, and its population rapidly overcome 1 million (it peaked at 1.5 millions in 1975). In the 1980s, anyway, a first industrial crisis hit the city in the framework of a general post-Fordist transition: unemployment and conflicts between workers and industrialists increased, and the population of the city, as well as its centrality, began to decline.

The Fiat crisis induced a process of re-orientation of the city's economic profile that was also accompanied by local and national policies. As a result, the economic base of Turin diversified greatly. Following a general post-Fordist trend, manufacturing activities started to move outside the city, mainly towards the rest of the Province, while the presence of service activities started to grow. In 1981 workers employed in the service sector were 27,5% of total regional employment; in 1991 they were 35,2%. In the area of Turin, in particular, it is possible to detect a specialisation respect to the region in metropolitan transport services, advertising and public relationship agencies, and financial services.

More recently (2005) the city hosts 336.000 employees in the service sector, and activities generating new jobs are above all hotels and restaurants (26%), business services (14,9%), and household ones (12%), vehicles sell and repair (10,9%), constructions (9,9%) and mechanics (7,2%). Also tourism sector increased in the city's economy (almost 2,5 millions of visitors in museums in 2005), but its importance in the urban economy is still residual.

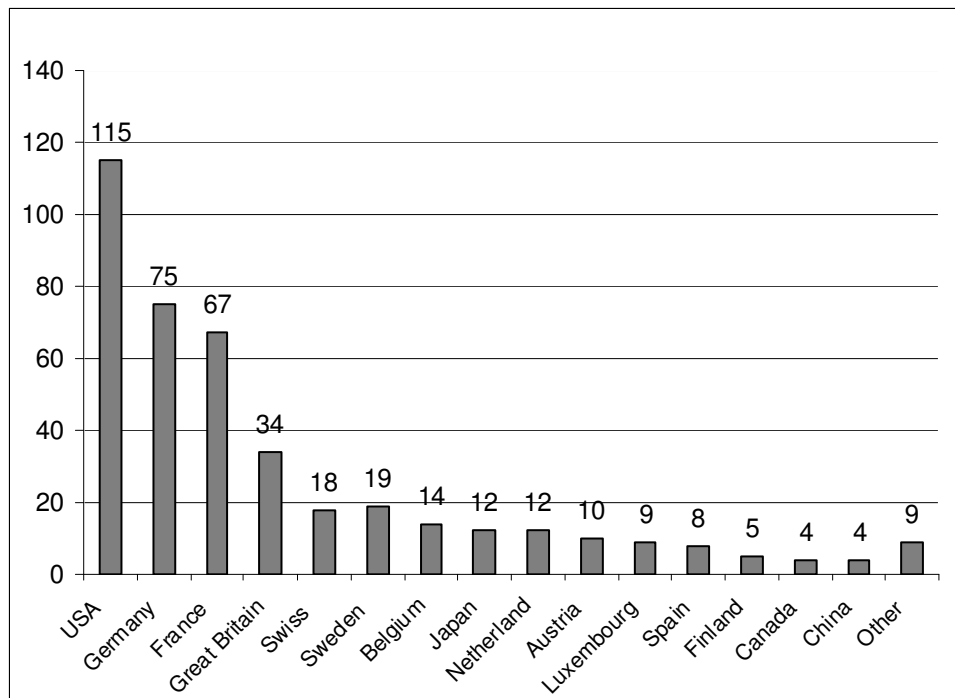
Some recent studies affirm anyway that urban economy has never stopped to rely on the automotive sector (Comitato GiorgioRota, 2005): the industrial fabric is still so intrinsically tied to the industry that every planning for the future has to take in account such an heritage⁶. In 2005 the Province of Turin is responsible of the 29% of national export in automobile engines and components (2005), and the 23% of cars (2004). Turin counts 434.000 employees, of which 96.000 are manufacturers, and half of them work in mechanics. Such an industrial orientation is also strongly linked to the *perception* of the city, both at national and international level (Vanolo, 2004): Turin is traditionally known as a one-company town, the Italian capital of the automobile. The main stereotypes concerning inhabitants, historical events, economic specializations and urban landscapes definitely tie the image of Turin to industrialism. For example, it is a diffused opinion that the development of Fiat in Turin has been largely due to the social environment of the city, rooted in hierarchical and military organizations during the period of the Savoy dynasty. This is not to say that this is the "real" or the "unique" face of the city, but this image is still strong, even if the economic base and the urban landscape has certainly slowly changed over time, becoming more and more differentiated. In this sense, the Olympic Winter Games hosted in 2006 certainly succeeded in moulding this consolidated image of Turin, presenting new economic opportunities, and not just in the tourist field: for example, the city is more known than before as an innovative technological hub, where important universities and research centres may constitute an ideal environment for new firms. Or, to quote another example of transition to service economics, Turin is a relevant location for events: in 2005, the city hosted 4.950 conferences (with 5% of international level). This is certainly the result of policies and large investments aimed at the promotion of the cultural dimension of the city; as underlined by the Regional Culture Councillor, in 2004 "Piedmont region increased investments in culture of 300%" (La Stampa, 9/7/2004). In the same year Turin spent in culture almost as much as Milan (94 millions euros).

⁶ www.torinointernazionale.org

The differentiating of the economic base certainly promoted a change in the visions and stereotypes concerning the city: consider, for example, the main use and representation in movies and advertising. While in the past it has been widely used as a set for describing situations of social tension (the first Italian working-class strikes and movements, poor worker and immigrant environments, political activism and terrorism, and lack of opportunities for young people), many movies also associate the urban environment to other narratives, concerning love, comedies, funny situations⁷.

From an economic point of view, these dynamics affect investment processes. In recent years a number of foreign companies decided to locate in Piedmont relevant high-tech segments. These results make Piedmont the second Italian region, after Lombardy, for inward foreign investment, and number 35 in a list of 200 European regions. Inside Piedmont, Turin is the major pole: it adsorbs the 98% of total regional foreign direct investments (FDIs) and generates the 92% of outgoing (2004).

Table 1 – *Companies in Turin according to the country of origin*



In 2005 the regional breakdown of the overall incoming investments showed a supremacy of USA companies (27%), followed by German (18%), and French ones (16%). Considering that, according to Unctad, there is now a rise in the investments directed to Oecd countries (+ 38%), but not to Italy (- 23%), Piedmont may be thought as a sort of “national champion”. While most of the investors are located in Western Europe, Asian partners are present as well: Japan counts for 3%; while China for 1%. Most of investments refers to traditional manufacturing sectors: mechanics (13%), automobile components (11%), electronics (10%), chemical derivates (7%), plastic materials (7%), and metal products (6%).

According to the actors involved in the investment processes, 52 over 422 companies used the services offered by Itp. Asian and extra-European companies, in particular, consider Itp an

⁷ There are many examples supporting this, such as *La ragazza di via Millelire* (M. Serra, 1980), *Portami via* (G. M. Tavarelli, 1994), *La seconda volta* (M. Calopresti, 1994), *Tutti giù per terra* (D. Ferrario, 1997), *Preferisco il rumore del mare* (M. Calopresti, 1999).

useful tool in order to enter the relatively unknown national and regional market; in particular, an important share of Itp partners is from China (5%). The relevance of local institutions and political attitudes is testified by the words of a manager from an Ict firm:

“We had the support of Itp but the backing of the local authorities was never missing, helping us with a practical, problem-solving attitude, down to earth, communicative and never bureaucratic. If Italy wants to attract foreign capital, this is the successful attitude”.

These preliminary outlines according to the investment environment in Turin and its historical and social background let us for the recognition of some “hard facts” that are likely to have influenced investment discourses on Turin in a relevant way (Savoy, Fiat, car industry, Olympic Games, military organisation, Itp). In the following paragraph we will try to point out to what extent these factors find a correspondence in the narratives testified by the interviewed managers.

4. The investor gaze

The interviews carried out with some local experts in Turin show clearly different patterns and ideas concerning internationalization according to different enterprise sizes.

Small enterprises facing internationalization are usually acting on the basis of long-term strategies aimed at both exploring new development possibilities (new markets, new clients, cheaper inputs) and risk diversification. While many small enterprises in Turin adopted such a strategy by moving plants and machineries to European neighbourhood countries (as Bulgaria, Tunisia) or far Eastern ones (Vietnam), few examples of foreign SMEs moving to Turin has been detected. Just to quote an example, this is the case of a German firm specialised in the laser welding of sheet metal for car industry. Also research opportunities may favour firms to invest abroad. In this case, a possible example is a spin-out from Imperial College London, that opened its Italian branch in Torino for the development of a patented application in the field of diagnostics and pharmacological testing.

Similarly, *medium sized enterprises*, often try to better set their presence in various parts of the world, i.e. reaching a certain critical mass of customers in order to expand. In this sense, according to Chandler theories, this is part of a strategy of *internal growth*.

In general, small and medium size enterprises defining an internationalization strategy tend to assume a certain vague idea of the world, searching for a possible location for investments: as stated by an executive from the consultancy office of the Industrial Union of Turin (an institution grouping the main industrials of the area)

“Many small enterprises have not clear ideas: they just call me and ask me: ‘I’d like to go to Romania, how to do that?’ or ‘I heard of a place in Slovenia where to move, can you tell me something?’”

The localization process is therefore usually explored by a single person or a small team, that first tries to get information autonomously (usually by internet) and then asks to local or foreign institutions (Turin chamber of commerce, or analogous intermediary agencies in the foreign country) for specific localization possibilities. Furthermore, it is possible to recognise a certain stereotyped approach in the construction of the investment’s maps by SMEs: fashions fed by national and international media and rumours that develop in the various industrial domains are some major factors at the basis of these hyper-realities. Considering the sample of enterprises contained in our dataset, the analysis will be *de facto* focused on medium and, above all, big sized multinational companies.

Big (multinational) enterprises adopt complex strategies of horizontal/vertical investment, where a vast variety of well known location factors play a crucial role (from the availability of infrastructures to fiscal incentives; from labour cost to the vitality of the local demand). Here, the emerging vision of the world is even wider, to the point that Europe is usually considered as a single market. In the case of greenfield investments, the localization process is usually analyzed by a team, often driven by the executive manager, that acquires specific information and usually contact ICE, the Italian institution for foreign commerce, or directly the Turin chamber of commerce or Itp. In the case of brownfield ones, the steering committee usually looks for potentially enterprises to be merged, and proceeds in the acquisition. Schematising, we might say that in the case of big companies (most of them included in an international group) the investment process usually proceeds through consecutive steps where identification of the macro-regional destination of the investment itself usually precedes that of the physical setting (precise-metropolitan-urban localization) of the enterprise (both new or merged) and the comparative evaluation of different national/regional contexts. In general, from the interviews, no clear positions about the relevance of stereotypes and subjective ideas emerge: some managers strongly affirm that no subjectivity influenced the localization choice, some others affirm the opposite:

“There is no subjectivity: serious evaluations have been carried on in order to evaluate the various options”

“Everything has been subjective: how can we know?”

Certainly, a direct question on the subjectivity of an investment process is not methodologically relevant, but the variety of the answers probably confirms a certain perplexity in leaving a “fully rational” vision of economic processes.

The results of the interviews comprehend quite different positions and visions concerning the investment choice in the metropolitan area of Turin. It is however possible to classify them into three wide categories, corresponding to different rationales for localization; anyhow, it has to be stressed that this is not an exhaustive typology (not every economic activity can be classified in this rough tripartite scheme), but just different kinds of *discourses* that refers to location logics, sometimes in overlapping ways.

4.1 The manufacturing logic: the regional perspective and the importance of ties with other companies

This is the case of enterprises carrying out industrial production functions, and classic cluster factors have been perceived as relevant for the investment: proximity with customers and suppliers, availability of qualified workers, good infrastructures. Turin, being an important centre of the automotive industry, used to play a primary role in this field, and still today the city maintains a certain magnetic power: in 2004, investments in vehicles peaked at 2010 million euros corresponding to 1/3 of the overall national investment (3.206 million euros) in this sector. Urban competition, in this field, opposes Turin and its region (as a location for investments) to other European consolidated industrial areas. This clearly emerges for example from an interview with a local company recently acquired by a Japanese firm producing vehicle air-conditioning modules.

“they were looking for a location in Europe in order to expand their market [...] they looked at many industrial areas specialized in the car sector [...] we were producing for Fiat, and they were interested in the value added we could give them”.

The importance of Fiat in moulding the attractive power of the city has not to be underestimated, since many foreign enterprises (particularly in the 90s, when Fiat experienced rapid growth) acquired local units in order to try to build up relations with the Italian car industry; just to quote an example, a manager of a company producing car glasses and mirrors states:

“Fiat guaranteed continue and important contracts”.

And, according to an American high tech electronic corporation:

“Fiat, Ferrari and Maserati *are* Italy in the eyes of the company”.

Possibilities of localization in low-cost countries are also relevant here, as many low-technology and labour intensive activities are more and more located outside western Europe (Fig. 1 and 2). It is generally perceived that manufacturing activities located in Turin have to be *more* value added and qualified than those moved to low-cost countries. It is important to stress here that this may not be economically true (i.e. the “reality” of cost-benefits may be different), but this idea is generally perceived and discussed by most of the interviewed managers. This emerges, for example, from an interview with the manager of an American enterprise specialized in vacuum technologies that moved to Turin in the 60s:

“In the 60s, Italy was a country with low labour cost when compared to Usa [...] Right now it is not so, but with time we moved to quality, high-technology productions [...]”.

Probably, the phenomenon of industrial inertia is also fundamental in manufacturing productions, since sunk costs are high, and enterprises tend to reproduce external economies with time: as stressed by the manager of the vacuum firm, right now the firm present many connections with local research institutions and local suppliers. However, in general, relations with research centres and universities seem to play an important role for firms after some years, with the rooting of an enterprise, while these are not considered as meaningful factors when planning the investment:

“The closeness to Polytechnic can not be considered when planning to move: it is important to optimize the entire productive process” (in the words of a manager of an electronic enterprise).

In other words, most intangible factors (relations with local institutions, industrial tradition, etc.) seem to become important *with time*, but they are not perceived as important in the beginning, i.e. in building ideas of investment. Just “hard economic facts” seem relevant, i.e. availability of infrastructures, possibility to compress costs, and of course the presence of possible clients.

A sort of “imitation trend” also emerges from some interviews.

“We went here because *the others* do so...” (a manager from a car component industry)

In our perspective, two main factors contribute to this *cumulative* effect. First, analysis undertaken by big companies are quite similar (by using similar selection criteria and often referring to the same worldwide renowned consultancy groups); secondly, the necessity of not leaving shares of foreign markets to competitors.

Finally, a relevant point (in the perspective of implementation and maintenance of the investment) is the commitment from regional authorities. For instance, managers of some automotive companies stressed the importance of a broad range of incentives and grants (investment, technology, employment, personnel training) available in the region to invest locally. As we learn from some Itp advertising brochures:

“For the most sizeable investments, offering high employment, it is possible to use the negotiation instruments with local and national government which define the set of grants available”.

In other words, there is a sort of preferential treatment for manufacturing investments drawing positively on local employment.

4.2 The service logic: a national gaze

Such a gaze refers mainly to enterprises dealing with “remote”, “face to face” and “commercial” services; differently, many specific manufacturing and high-tech services have to be included in the previous category: just to quote an example, location logic of an automobile technology research center are quite similar to those of manufacturing.

Concerning these services (for example a national support service for clients), the factors perceived as mostly relevant concern the availability of human resources and infrastructures (mostly telecommunication). Enterprises that moved a service function to Turin looked for a location in Italy, assuming basically a national scale for their search. In this sense the competition has been between few centres, such as Bologna, Rome, and Milan. Particularly, the national capital is important for the presence of political institutions, while Milan is the most relevant node for presence of institutions and lobbies linked to finance. Turin, in this field, is assumed as relevant because of the good presence of infrastructures and the good availability of skilled workforce *vis à vis* other cities, particularly those in Southern Italy. As stressed by an American enterprise operating in Turin in the field of business services:

“Italy is absolutely not a good market... the costs are so high... The only reason for maintaining the Italian seat is the possibility and the necessity to serve the local market, which is quite developed”.

Here, the imaginary influencing the choice seems to be played at national level as well: on the one side the idea of a persisting Italian north/south divide, on the other side the perception of the whole country as a bad-working economic system. In the frame of these general Italian hyper-realities, Turin is firstly thought as a sort of “national champion”. No one of the interviewed explicitly mentioned that, but basically everyone (when asked about that) confirmed to some degrees the idea of a city “military organized”, with a orderly and well-educated workforce reserve, close to Milan but less chaotic and expensive.

Proximity to Milan is also a crucial factor here. Some managers explicitly confirm that Turin-Milan is perceived as a single macro-area (the distance between the two cities is a bit superior to 100kms, with a highway connecting them, or a one-hour high-speed train) (see fig. 3). In other cases, enterprises discussed the fact that Milan has been firstly chosen as a location, but then abandoned as the close localisation in Turin was considered cheaper and with good infrastructures.

4.3 Macro-regional discourses

This logic is dominant in enterprises seeking for a centre for distribution and a visible presence in a wide macro-regional area, that is generally perceived as a wide Mediterranean area (fig. 4). Main location factors here concerns infrastructures and international accessibility, in order to serve a large market. Turin reveals particularly weak in this last field, as there are many examples of cities more visible and better connected to the area (in terms of flights, ships).

“They [Japanese investors] never knew what Piedmont is... they barely know where Italy is... they were looking at Europe”.

A second macro-region perceived by enterprises may be the Northern or Western European one, focused on Germany (fig. 5) and Sweden. Here Turin is by far a weak location, as cities as Munich, Berlin or Stockholm present quite superior possibility in terms of visibility and accessibility. Turin, in other words, is perceived as geographically peripheral. The centrality of the city in terms of the European Corridor projects is basically never considered in the eyes of most enterprises. The city (outside the specific field of the car industry) is considered an important national node, but not a supra-national one. It is interesting to notice that this lack of international dimension used to be well perceived by local economic actors, and probably it is not a case that the first and the second strategic plans of the city are named *Torino Internazionale*. Similarly, the promotional brochure proposed by Itp is titled *Torino and Piemonte at the centre of European business* (fig. 6). Here, the Olympic games have certainly spread worldwide the image of Turin, but influencing above all the tourist gaze, while in economic spheres results are more difficult to qualify. This is somehow confirmed by the fact that in many maps (see fig. 1, 2, 7, 8) Turin is not located at the centre of an area, but *on the edge*: it is geographically considered as a city at the margin of areas of competition. To what degree such geographical marginality implies ideas of economic marginality it an open question, but it is plausible a correlation in the imaginary of the two.

Concluding remarks

The results of this investigation seem to confirm the importance of many traditional geographical factors, often discussed by the literature, as drivers for investments and localization choices. Infrastructures, accessibility, structure of the costs, availability of spaces, presence of important potential customers and suppliers are certainly the main forces pushing for choosing an area where to invest or work. As discussed in the text, the importance of other factors, differently, has to be debated: this is above all the case of relations with local institutions (different from relations with firms, which otherwise play a fundamental role), such as universities, but also political elites and lobbies. With time, and with the rooting of an enterprise in the local environment, such relations become of primary importance, but these are hardly considered when thinking about a brownfield and, above all, greenfield investment. In the case of Turin, possibility to built up relations with local enterprises, and above all those working within the “Fiat world”, has been a major engine for the attraction of enterprises. But, outside the world of the automotive industry, perceptions of marginality are particularly recurrent in interviews and mental maps. Turin is often located at the border of “economically relevant playfields”. It may be therefore a key topic for promoting and branding the city to built up a mental imaginary putting “back at the center of the map” the city. Such strategies are not evaluated here, but possible options may regard the promotion of the idea of a wide macro-region including Milan, or that of a “North South” European development corridor. It is a fact that most initiatives promoting macro-regional cohesion refers to Southern “East-West” axis (The Mediterranean Latin Arc, Corridor 5 initiatives), while little has been done concerning Corridor 10 and the North-South axis.

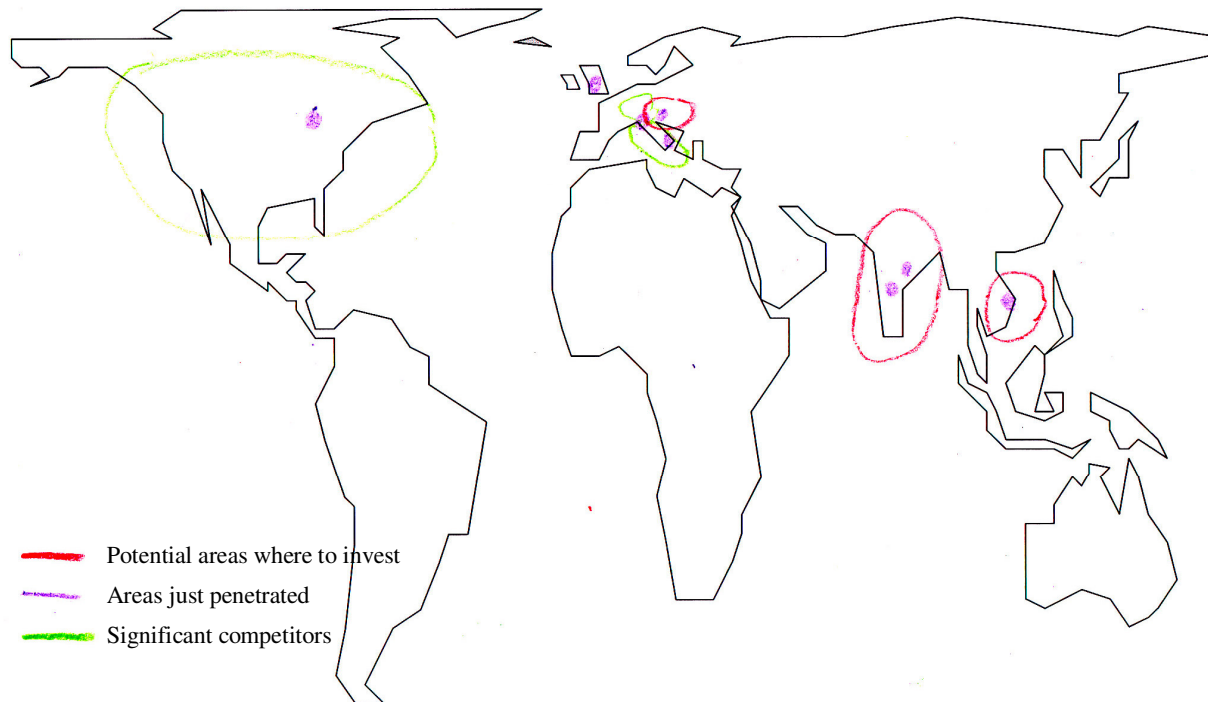
Finally, mental maps induces some considerations concerning ideas of the world economic geography and the position of Turin in these worlds. Despite globalization, it seems to persist a much “old” idea of the world economy, much in line with the metaphor of the Global Triad (fig. 7). Much of the so-called “Third world” is basically considered meaningless in economic terms: the main playfield is basically South-Eastern Asia. The position of Turin is, therefore, once again marginal.

Fig. 1 - An example of mental map showing interesting areas where to move productive activities: a case from the sand industry



Europe is perceived as the major playfield, comprising both competitors and markets just penetrated by the company. Here is a strange vision of Europe, excluding Northern countries and Central Europe, but including Southern Mediterranean countries. Interesting areas where to invest and expand include China, India and Brazil. Turin is at the margin of a “significant competitors” area and at the center of the “just penetrated” one.

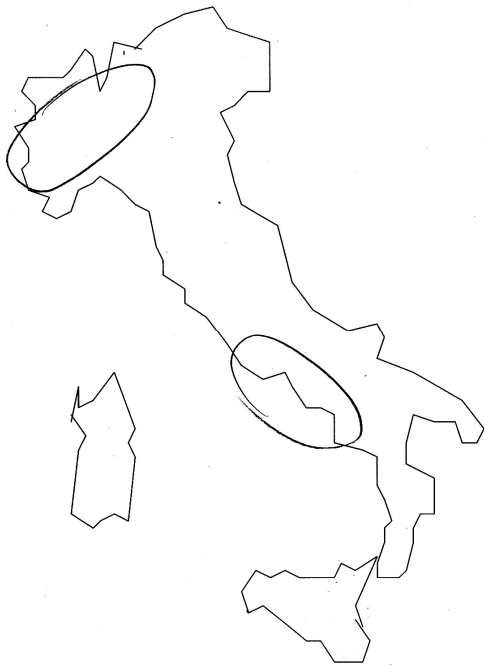
Fig. 2 – *The investor gaze towards China and India: an example from the automotive industry (gear production)*



A classic idea of where to invest: India, China (Shanghai), and Czech Republic. Such a vision is particularly recurrent in the car industry; here in this map the geographical scale of the references is quite sharp, while in others Asia as a whole as been painted (fig. 7).

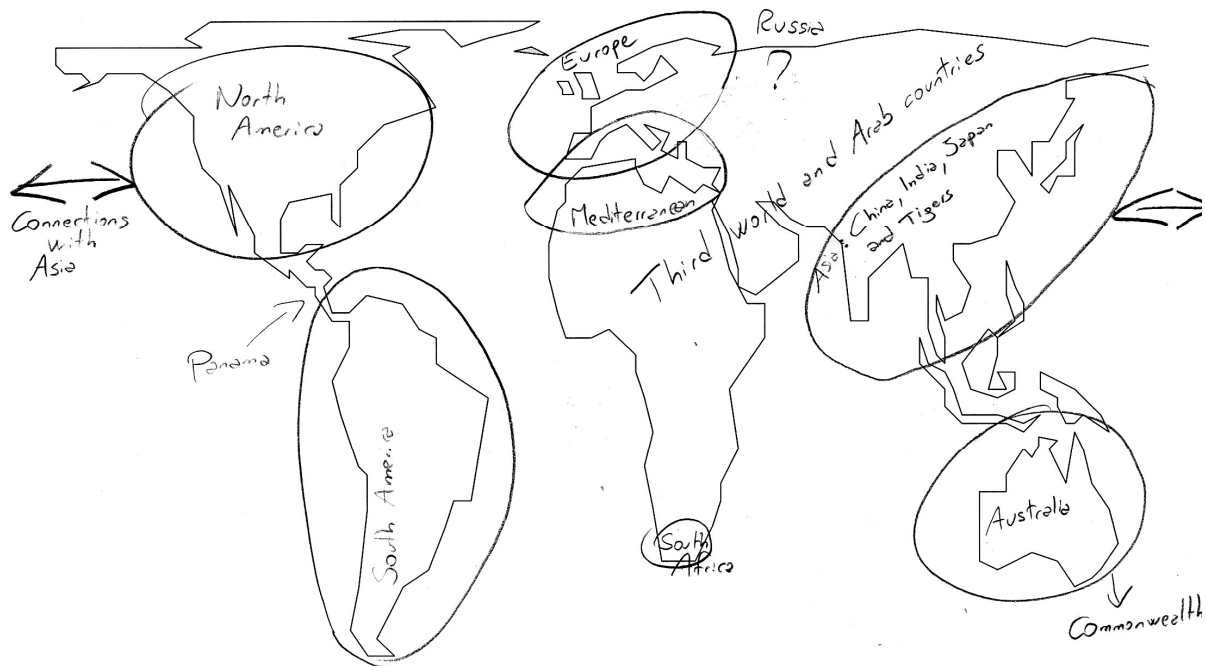
Turin is at the edge of the two “significant competitions area”. It is also close to a possible “where to invest” area, but this is probably due to an imprecision in drawing, since the interviewed talked about investing in Czech republic.

Fig. 3 – *Relevant locations in Italy according to a manager of a business service enterprise*



The basic idea that just two areas are relevant choices where to locate in the service economy is confirmed here: Turin-Milan in the North-West and Rome in the center.

Fig. 4 - The regions of the world according to an executive of a market research and consultancy enterprise



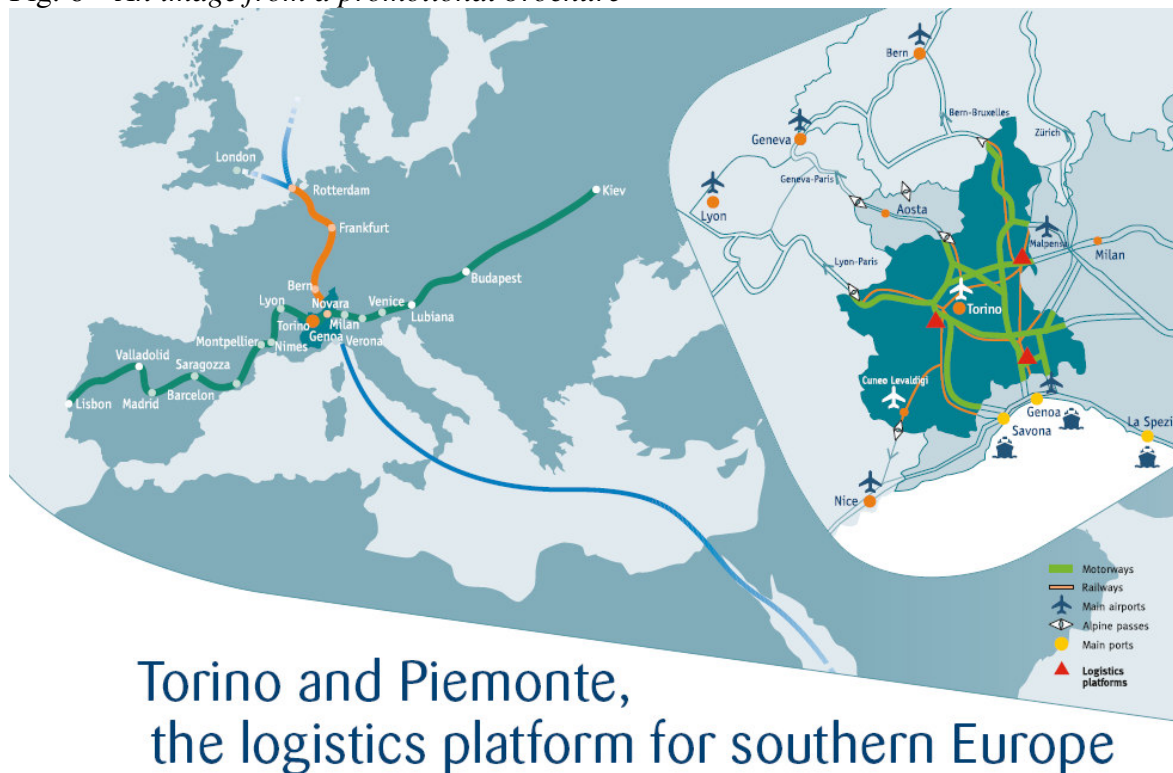
Note: the names have been physically written by the researches on the basis of indications from the interviewed. Several macro-regions emerge: North America, in strict connection with Asia (South and South-Western Asia), South America (South of Panama), Australia (still connected to Great Britain and Commonwealth countries), and Europe. Originally, the interviewed just emphasized Europe, but in front of an explicit question concerning the Mediterranean, this area has been added to the map: basically, Mediterranean is perceived as marginal. The “developing world” is a general unbounded area comprising the whole Africa (basically absent in all the maps) apart from South Africa (“good for mining”) and the Arab countries (explicitly mentioned in the group together with the “Third World”). Russia is presented with a dot mark.

Fig. 5 – A focus on the most “important” economic areas (car manufactory)



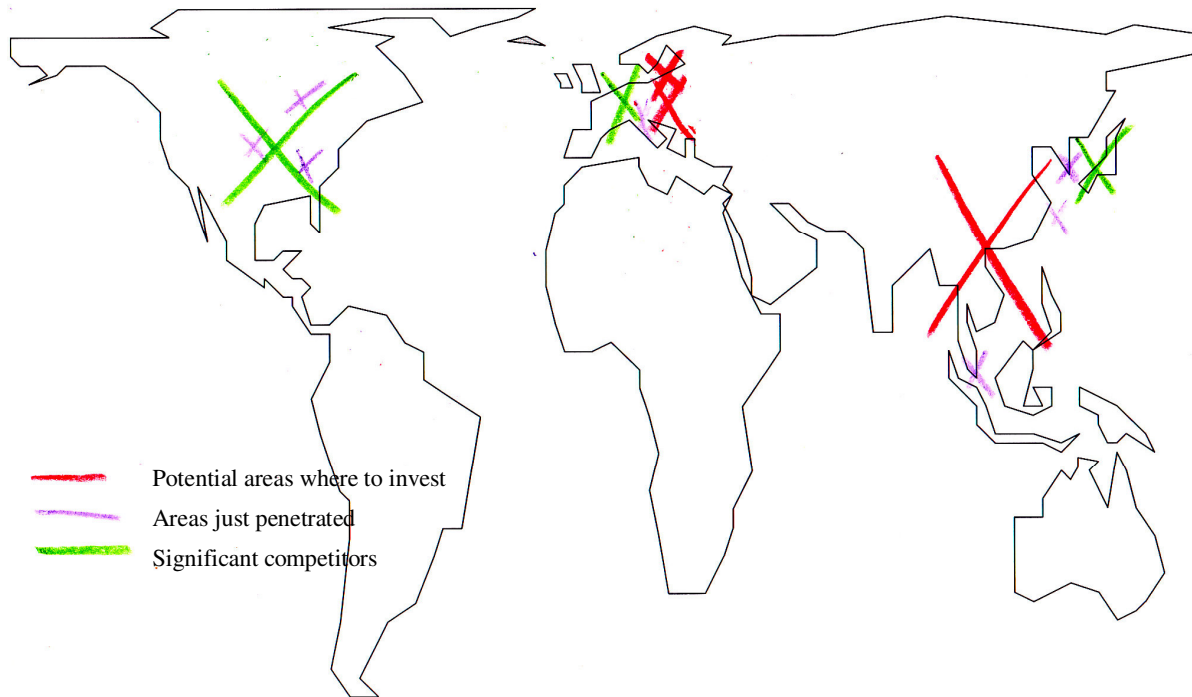
Europe is perceived as relevant, but the core is constituted by the Northern area. Ideas of economic centrality overlaps well with those of geographic centrality: how to explain otherwise that London and Stockholm are just “touched” by the core?

Fig. 6 – An image from a promotional brochure



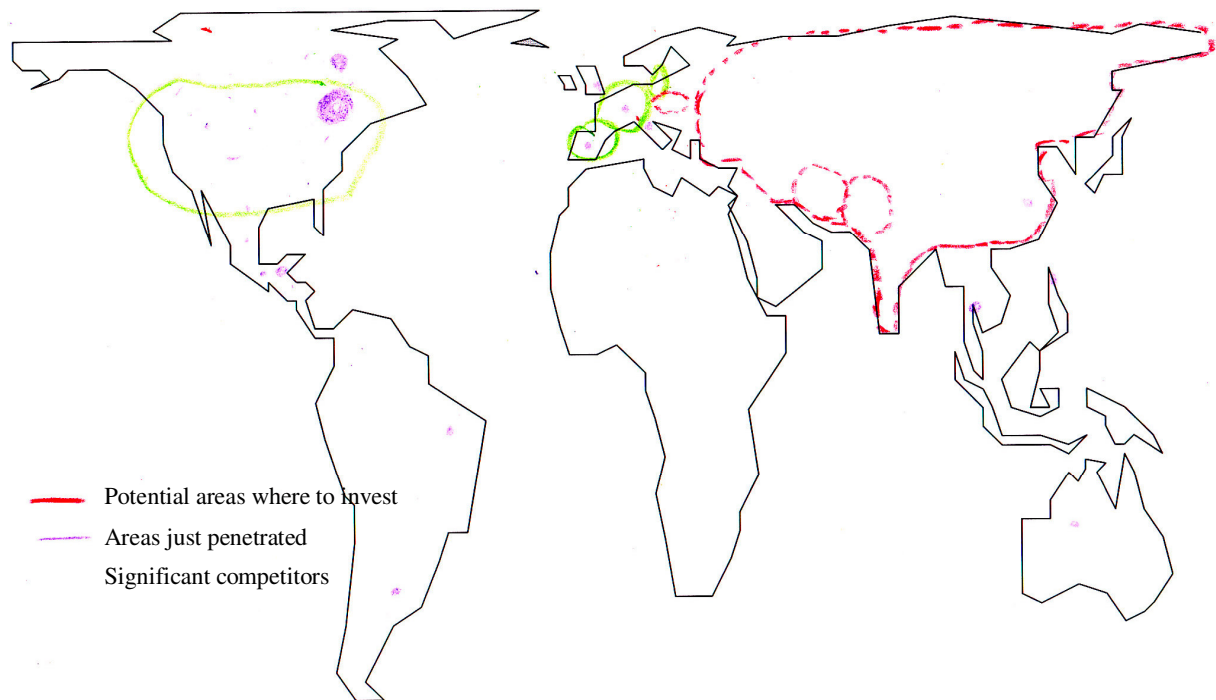
Source: Itp (2007), *Torino and Piemonte at the centre of European business*.

Fig. 7 – *Industrialized vs industrializing areas: a clear pattern of juxtaposition from an electronic materials enterprise*



The playfield is just the Global Triad. Here the old Ohmae's (1985) vision of the world is particularly clear: outside the three areas the economic world is irrelevant for the enterprise. The three areas overlap all the three typologies, apart from the case of Usa, never perceived as a place "where to invest" more. Turin, once again, is at the edge of the "significant competitors" area.

Fig. 8 – *Asia is the playfield: a vision from a painting enterprise*



Asia is the most important playfield: this map includes the whole continent, excluding just Iran and Afghanistan for political reasons, so as Thailand for uninvestigated reasons. Turin is located at the edge of the “significant competitors” areas. The “just penetrated” areas has been considered here in “nodal” (and not “areal”) terms, and the interviewed just located the main foreign affiliates of the company.

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